RESOLUTION NO. 137-2007

Adopted December 18, 2007

AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT WITH MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED $1,621,351 FOR THE DEVELOPMENT OF APPROXIMATELY 32 UNITS FOR LOW- AND MODERATE-INCOME, FIRST-TIME HOMEBUYERS AT 1345 TURK STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

1. On February 11, 2003, the Agency Commission authorized an agreement with the City and County of San Francisco ("City"), a municipal corporation, for the acquisition and disposition of the real property located on a portion of Block 756, Lot 001 at 1345 Turk Street, San Francisco, California in the Western Addition Redevelopment Project Area A-2 ("Site").

2. On April 22, 2003, the City's Board of Supervisors approved the sale of the Site (and adjoining MUNI Substation) to the Redevelopment Agency of the City and County of San Francisco ("Agency"); approved the interdepartmental transfer of jurisdiction over 1345 Turk Street from the Municipal Agency to the City's Arts Commission; and authorized the Director of Property to enter into an agreement for the sale of such real property for the development of affordable housing, arts and community uses, and other public beneficial uses.

3. On May 2, 2003, an Agreement for Sale of Real Estate was executed by and between the City as Seller and the Agency as Buyer for the sale and purchase of the Site. Escrow closed on the Site on June 9, 2003.

4. On September 1, 2006, the Agency issued a Request for Proposals ("RFP") for the development of affordable first-time homebuyer units for low- and moderate-income households. The RFP sought high-quality proposals from experienced developers capable of building approximately 32 units on the Site.

5. Three proposals were received by the October 31, 2006 submission deadline.

6. On November 9, 2006, the Western Addition Citizens Advisory Committee ("WACAC") approved the RFP selection process.

7. On January 12, 2007, the evaluation panel determined that the team of Michael Simmons Property Development, Inc. ("Developer") earned the highest cumulative score.

8. At its meeting on April 17, 2007, the Agency Commission authorized the Agency Executive Director to negotiate and execute an exclusive negotiations agreement ("ENA") with the Developer to pursue predevelopment of the Project.

9. The ENA established a series of milestones during an exclusive negotiations period as a precursor to the Agency Commission's consideration of a predevelopment loan agreement ("Predevelopment Loan Agreement") and a subsequent disposition and development agreement.

10. At its meeting on November 8, 2007, the WACAC raised no objections to the Developer's plan to seek $1,621,351 in predevelopment loan funds from the Agency.

11. At its meeting on November 16, 2007, the Citywide Affordable Housing Loan Committee reviewed and approved the Developer's predevelopment loan request and recommended the Agency Commission's authorization.

12. The requested funds in the amount of $1,621,351 are needed for site preparation, consultant costs, building permit fees and insurance costs critical to the construction and development of the Site.

13. Agency approval of the Predevelopment Loan Agreement is exempt from the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines Sections 15262 and 15061(b)(3). The Predevelopment Loan Agreement funds the provision of technical services for feasibility and planning studies that will not directly have a significant effect on the environment, and developer carrying and financing costs, which are funding activities that will not cause a change of the physical environment. Subsequent actions of the Agency are required for development to proceed.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Predevelopment Loan Agreement with Michael Simmons Property Development, Inc., a California corporation, in an amount not to exceed $1,621,351 for the development of approximately 32 units for low- and moderate-income, first-time homebuyers at 1345 Turk Street, on a portion of Block 756, Lot 001; as part of the Citywide Tax Increment Housing Program, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

for James B. Morales 12/13/07
Agency General Counsel